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Selected Speeches and News Releases

June 29 - July 6, 1989

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U.S. Department of Agriculture • Office of Information

USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON

WASHINGTON, June 29—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, June 30, through midnight Thursday, July 6.

Since the adjusted world price (AWP) is above the 1987 crop and 1988 crop base quality loan rates of 52.25 and 51.80 cents per pound, respectively, the loan repayment rate for 1987 crop and 1988 crop upland cotton during this period is equal to the respective loan rates for the specific quality and location.

The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates.

Based on data for the week ending June 29, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Adjusted World Price

Northern Europe Price	78.15
Adjustments:	
Average U.S. spot market location	11.90
SLM 1-1/16 inch cotton	2.00
Average U.S. location	0.42
Sum of Adjustments	<u>-14.32</u>
ADJUSTED WORLD PRICE	63.83 cents/lb.

Coarse Count Adjustment

Northern Europe Price	78.15
Northern Europe Coarse Count Price	<u>-74.37</u>
	3.78
Adjustment to SLM 1-inch cotton	<u>-4.15</u>
	-0.37
COARSE COUNT ADJUSTMENT	0 cents/lb.

The next AWP and coarse count adjustment announcement will be made on July 6.

Charles Cunningham (202) 447-7954

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USDA INCREASES FEE FOR MANDATORY INSPECTION OF TOBACCO

WASHINGTON, June 30—The U.S. Department of Agriculture will increase to 67 cents per hundred pounds the fee for the mandatory inspection of domestic tobacco sold at USDA-designated auction markets, effective July 1.

Kenneth C. Clayton, acting administrator of USDA's Agricultural Marketing Service, said the new fee would cover increased costs of salaries, including a special salary rate for tobacco graders, which was effective Oct. 30, 1988, and increased allowances for travel and administrative costs. "The current fee of 55 cents per hundred pounds has been in effect since July 1, 1982," he said. "For the past three seasons, USDA has been forced to draw on funds from the program's reserve account to cover the increased costs."

USDA conducts an annual review of the status of funds of the tobacco inspection program. USDA presented the 1989 review to the National Advisory Committee for Tobacco Inspection Services at its meeting on March 7.

The National Advisory Committee, established by the Omnibus Budget Reconciliation Act of 1981, is comprised of 14 representatives from tobacco producer interest groups to advise the secretary of agriculture on the fee for the mandatory inspection and certification of tobacco, the level of inspection services and related matters.

USDA announced the proposed fee increase in the May 2 Federal Register, and received no comments.

Authority for USDA's assessing user fees for its tobacco grading and inspection programs rests in the Tobacco Inspection Act of 1935, as amended by the Omnibus Budget Reconciliation Act of 1981.

Notice of the new fee will be published in the July 3 Federal Register. Copies are available from the Director, Tobacco Division, AMS, USDA, Rm. 502 Annex, P.O. Box 96456, Washington, D.C. 20090-6456.

Clarence Steinberg (202) 447-8998

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USDA ANNOUNCES NEW PROVISIONS FOR HAYING AND GRAZING OF CRP ACRES

WASHINGTON, June 30—Effective immediately, haying and grazing will be allowed on approved Conservation Reserve Program acreage planted or replanted to vegetative cover prior to Dec. 1, 1987, Keith Bjerke, administrator of USDA's Agricultural Stabilization and Conservation Service, said today.

Under provisions announced June 2 for haying and grazing of CRP acreage in counties where a livestock emergency was determined to exist due to drought conditions, haying and grazing was restricted to acres planted before July 1, 1987. Under this extension any field planted or replanted between July 1 and Dec. 1, 1987 must be inspected by USDA's Soil Conservation Service personnel to ensure that there is an adequate stand of vegetation established before haying and grazing will be approved.

“This extension of the cutoff date will open a significant number of additional CRP acres to help relieve the drought emergency,” Bjerke said. “In addition, every county ASCS office will begin keeping a list for county producers of eligible land that is available for haying or grazing.”

Bruce Merkle (202) 447-6787

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NEWLY IDENTIFIED BEE MEANS MORE BLUEBERRIES

WASHINGTON, July 3—Honeybee can't do it, but a newly found bee can better pollinate the rabbiteye blueberry, which means better crops for producers.

This is easy for the new blueberry bee because it has a longer tongue. Honeybees and most other bees cannot fit their shorter tongues into the rabbiteye blueberry's flower.

U.S. Department of Agriculture and Auburn University scientists found and named the bee the “Southeastern blueberry bee” (*Habropoda laboriosa*). They say it helps the rabbiteye blueberry plant produce more and bigger berries that ripen earlier. As it probes the flower for nectar with its long tongue, the bee also “buzzes” it to loosen a cloud of pollen, said Jerry A. Payne, an entomologist with USDA's Agricultural Research Service.

Payne said that a buzzing bee scatters pollen particles by sounds created from rapidly vibrating its indirect flight muscles. This motion is like that of a tuning fork—it can't be seen with the naked eye.

A blueberry bee's hairy mouth and face collect pollen from buzzing the rabbiteye flower. As the bee moves on, it carries the pollen from one blueberry flower to another, achieving pollination.

“When we think of plants and insect pollinators, we automatically think of the honeybee,” said Payne at the ARS Southeastern Fruit and Tree Nut Research Laboratory in Byron, Ga. “But not so with the rabbiteye berries.”

Inadequate commercial crops of rabbiteye blueberries have often been the result of “poor cross pollination,” he said.

“You can pick rabbiteye blueberries four different times during a season,” he said. “Given adequate pollination, more berries can be harvested at the first picking, between four to seven days earlier.”

On the market, the 1988 rabbiteye crop brought about \$3.5 million. Depending on the time of the season, consumers will pay anywhere from \$2 to \$5 for a pint of the berries.

Blueberry bees work from early morning to sundown to pollinate. One bee can gather pollen from 15 to 25 blueberry blooms in a minute. At an Alabama site, James H. Cane of Auburn University estimated that this bee made 5,000 floral visits on one bush in a single day.

Payne and colleagues found the ground-nesting bee during a three-year cooperative study with Auburn. The bee is prevalent in the southeastern United States where rabbiteye blueberries grow on 5,000 acres.

“We don't know much about the bee's nesting habits,” said Payne. “Therefore, we don't have any way yet to reintroduce it if nests are destroyed. So we advise growers not to use insecticides when blueberries bloom.”

Larger than a honeybee but smaller than a bumblebee, the female blueberry bee has a black face minus a cream-colored dot that distinguishes the male. Only the female gathers pollen.

NOTE TO EDITOR: For details contact Jerry A. Payne, entomologist, Southeastern Fruit and Tree Nut Research Lab, ARS, USDA, Byron, Ga. 31008; telephone: (912) 956-5656

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CCC LOAN INTEREST RATE FOR JULY 8-5/8 PERCENT

WASHINGTON, July 3—Commodity loans disbursed in July by the U.S. Department of Agriculture's Commodity Credit Corporation will carry an 8-5/8 percent interest rate, according to Keith Bjerke, executive vice president of the CCC.

The 8-5/8 percent rate is down from the 9-1/8 percent rate for June and reflects the interest rate charged CCC by the U.S. Treasury in July.

Bruce Merkle (202) 447-6787

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USDA REQUESTS COMMENTS ON 1990 FEED GRAINS PROGRAM

WASHINGTON, July 3—The U.S. Department of Agriculture's Commodity Credit Corporation today asked for public comments on the percentage reduction level under the acreage reduction program for the 1990 crop of feed grains.

Comments will be considered along with information concerning the outlook for domestic and foreign supply and demand before final program decisions are announced Sept. 30.

CCC also requested comments on other 1990 feed grains program provisions:

—The percentage reduction under an acreage reduction program. Since 1990-crop beginning corn stocks are expected to exceed 2 billion bushels, the minimum percentage reduction level is 12.5 percent and the maximum is 20 percent.

—Whether an optional land diversion program should be established and, if so, the percentage of the diversion and the payment rate.

—The established target price for grain sorghum, oats and, if designated by the secretary of agriculture, barley. The minimum corn target price is \$2.75 per bushel. The proposed target price per bushel for grain sorghum is \$2.61, oats, \$1.45 and if designated by the secretary, barley, \$2.36.

—Whether a marketing loan with related provisions should be implemented.

—If a marketing loan is implemented, whether the inventory reduction program should be in effect.

—Whether malting barley should be exempt from an acreage reduction program.

—Whether loans and purchases should be available to producers who cut their corn for silage.

—Whether combined or separate feed grain crop acreage bases should be used for purposes of implementing the acreage reduction and paid land diversion payments.

—Premiums and discounts for grades, classes and other qualities.

—Other related subjects.

CCC also requests comments on the establishment of county loan rates, commodity eligibility and other provisions necessary to carry out a loan and purchase program for feed grains.

Further details on the proposal will appear in the July 5 Federal Register.

Comments must be received by Sept. 5 and sent to: Director, Commodity Analysis Division, USDA/ASCS, Room 3741-S, P.O. Box 2415, Washington, D.C. 20013. A regulatory impact statement on the 1990 feed grains program options is available from the same address.

All comments will be available for public inspection in Room 3741-S, USDA South Building, 14th and Independence Ave., S.W., during regular business hours.

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NO FINAL DEFICIENCY PAYMENTS FOR 1988-CROP WHEAT, BARLEY AND OATS

WASHINGTON, July 5—No final deficiency payments will be made under the 1988-crop wheat, barley and oats programs because the 12-month national weighted average market prices for these crops exceeded the 1988 basic price support rates, a U.S. Department of Agriculture official said.

Keith Bjerke, executive vice president of USDA's Commodity Credit Corporation, said the national average prices per bushel received by producers from June 1988 through May 1989 for wheat, barley and oats were \$3.72, \$2.79 and \$2.61, respectively. The basic price support rates for each of these commodities were \$2.76, \$1.80 and \$1.13. Therefore,

no increased emergency compensation payments, also known as “Findley” payments, were earned.

Also, barley and oats producers did not earn any 5-month deficiency payment as the 5-month national weighted average prices for barley and oats exceeded the respective target prices. Therefore, barley and oats producers who elected to receive advance deficiency payments are required to refund these payments. The barley advance of 30.4 cents per bushel amounts to about \$84 million and the oat advance of 12 cents amounts to about \$11 million.

Requests for the refund of these overpayments will be made later.

Bruce Merkle (202) 447-6787

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THIRD QUARTERLY MEAT IMPORT ESTIMATE BELOW 1989 TRIGGER LEVEL

WASHINGTON, July 5—Under Secretary of Agriculture Richard T. Crowder today announced that the third-quarter estimate of U.S. meat imports for calendar year 1989 is below the level that would require quotas or restraints on imports under the Meat Import Act of 1979.

Crowder said that based on U.S. Department of Agriculture estimates of available supplies and marketing plans by major meat exporters, imports of beef and other meats subject to the act during 1989 should total about 1,250 million pounds—about 120 million pounds below the 1989 trigger level of 1,369.8 million pounds. As a result, import restrictions are not required at this time.

The Meat Import Act of 1979 requires the president to consider restrictions on imports of certain meats—primarily beef and veal—if a USDA quarterly estimate of meat imports equals or exceeds the trigger level determined by formula in the act.

Chart follows on next page.

Imports of Meat Subject to the Law

	1986	1987	1988	1989 ¹
	- - - - - (in millions of pounds) - - - - -			
January	77.7	44.4	135.6	74.5
February	102.2	138.2	112.3	80.3
March	83.2	84.9	144.8	88.5
April	70.8	146.0	146.6	100.1
May	72.1	103.4	134.7	104.0
June	148.4	135.4	142.7	
July	122.1	181.5	124.4	
August	144.0	137.4	123.0	
September	167.4	158.0	140.4	
October	119.8	153.8	118.7	
November	102.4	86.6	114.2	
December	129.2	90.1	84.9	
Total ²	1,339.3	1,459.7	1,521.3	

¹Imports from Canada are excluded as a result of the signing of the U.S.-Canada Free Trade Implementation Act of 1988.

²Totals may not add due to rounding.

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USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, July 5—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 13.78 cents per pound;
- medium grain whole kernels, 12.79 cents per pound;
- short grain whole kernels, 12.69 cents per pound;
- broken kernels, 6.89 cents per pound.

Based upon these prevailing world market prices for milled rice, rough rice world prices are estimated to be:

- long grain, \$8.51 per hundredweight;
- medium grain, \$8.01 per hundredweight;
- short grain, \$7.64 per hundredweight.

The prices announced are effective today at 3 p.m. EDT. The next scheduled price announcement will be made July 11, at 3 p.m. EDT, although prices may be announced sooner if warranted.

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